Irish Life

PENSIONS • INVESTMENTS • LIFE INSURANCE

Undercovered IRELAND

"BREAKING DOWN THE BARRIERS TO PROTECTION SALES"

2017 PROTECTION CLAIMS

Martin Duffy

ACII, DLDU & DLDC (AMS)

Chartered Insurer

Head of Underwriting & Protection Claims

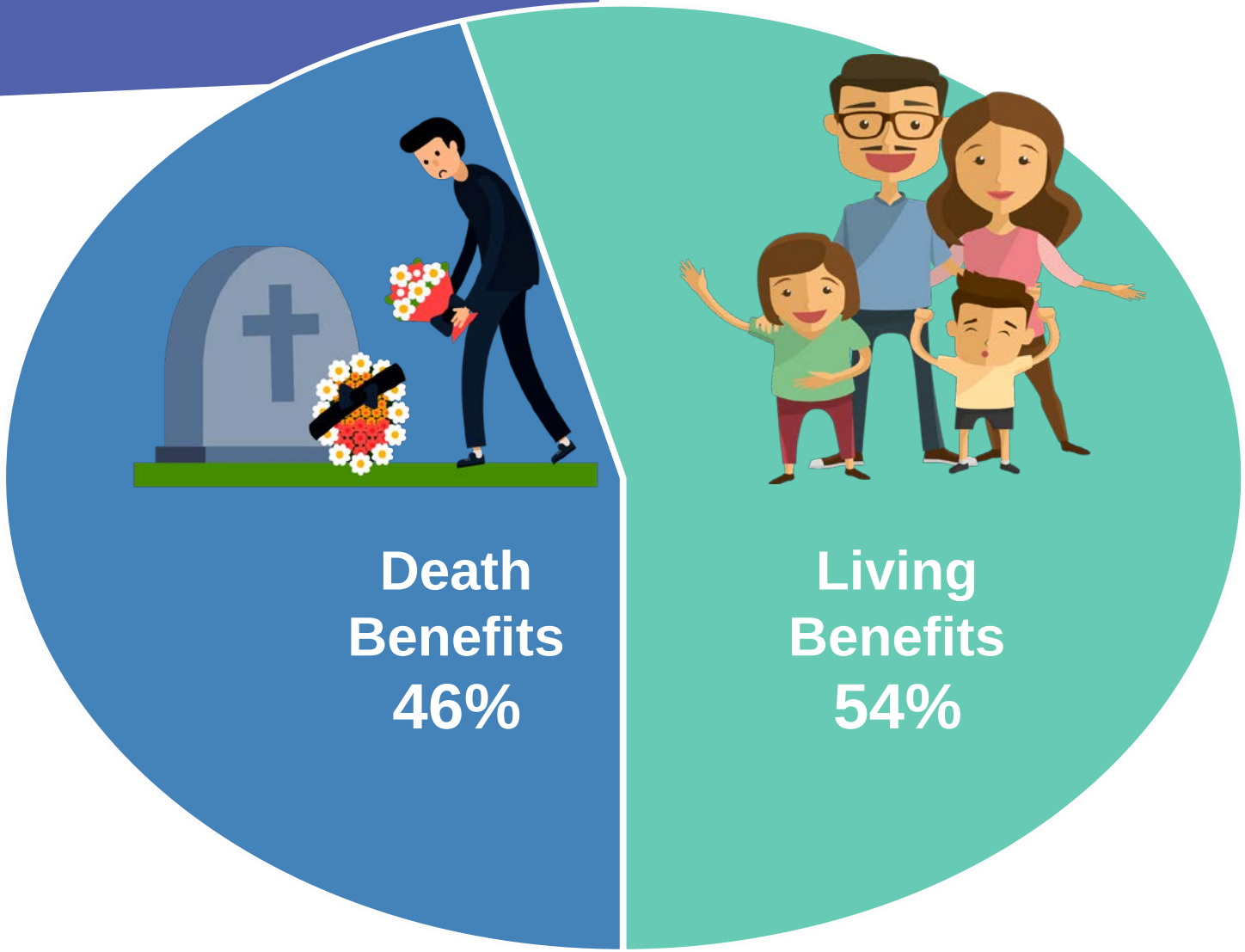
BARRIERS TO HOLDING A PROTECTION POLICY

REASONS FOR NOT HOLDING LIFE INSURANCE POLICY

1. Can't afford it / Too Expensive
2. Have not thought about it
3. Don't need it
4. Have not got round to it yet
5. Difficult to calculate the cover needed

Coyne Research - 2017

Life insurance is not just for death!



IRISH LIFE CLAIMS 2017 - IRELAND'S NO.1

in claims paid in 2017

2,500
claims paid

- Life Insurance
- Specified Illness Cover

and

- Terminal Illness Cover

paid per week

PAID EVERY WORKING DAY IN 2017 BY IRISH LIFE RETAIL

SPECIFIED ILLNESS	DEATH	TOTAL
€214,800	€518,800	€733,600

€91,700 an hour

PENSIONS INVESTMENTS LIFE HEALTH

Irish Life

CLAIMS PAID IN 2017 ON BROKER PLANS

TOTAL ALL PROTECTION CLAIMS	SPECIFIED ILLNESS (PER DAY)	DEATH (PER DAY)	TOTAL (PER DAY)
€75,331,485	€77,296	€214,340	€291,636

€36,454 an hour

PENSIONS INVESTMENTS LIFE HEALTH

Irish Life

CLAIMS PAID ON BROKER PLANS OVER LAST 5 YEARS

(2013 TO 2017)

TOTAL 5739 Claims
(Life, SIC, TI & Riders)

TOTAL €308 Million

DEATH

2373

€208 Million

Average claim €87,959

Average Age 62

SIC

1116

€86.7 Million

Average claim €77,692

Average Age 52

SUMMARY OF OUR 2017 DEATH CLAIMS

1,689 claims paid

€129.7m

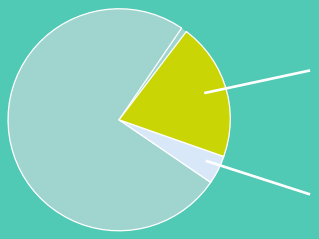
Ave **€76,786**

Cancer	42%
Heart Related	10%
Accidents	7%

Largest individual one life

€5m Male • Died in 70s

AMOUNTS PAID



1 IN 5
> €100,000

1 IN 20
> €250,000

1 IN 3
between ages
40 & 60

Terminal Illness
40 Claims
Ave 11 years
€109,534

24 CASES OVER
€500,000

YOU CAN'T PREDICT THE FUTURE - SOME DEATH CLAIMS PAID

MALE
40s

Tradesman

Brain Tumour

Cover 4 months in force

€149,000

FEMALE
50s

Homemaker

Breast Cancer

Cover 10 months in force

€100,000

MALE
30s

Technical

Stroke

Cover 1.5 years in force

€150,000

MALE
30s

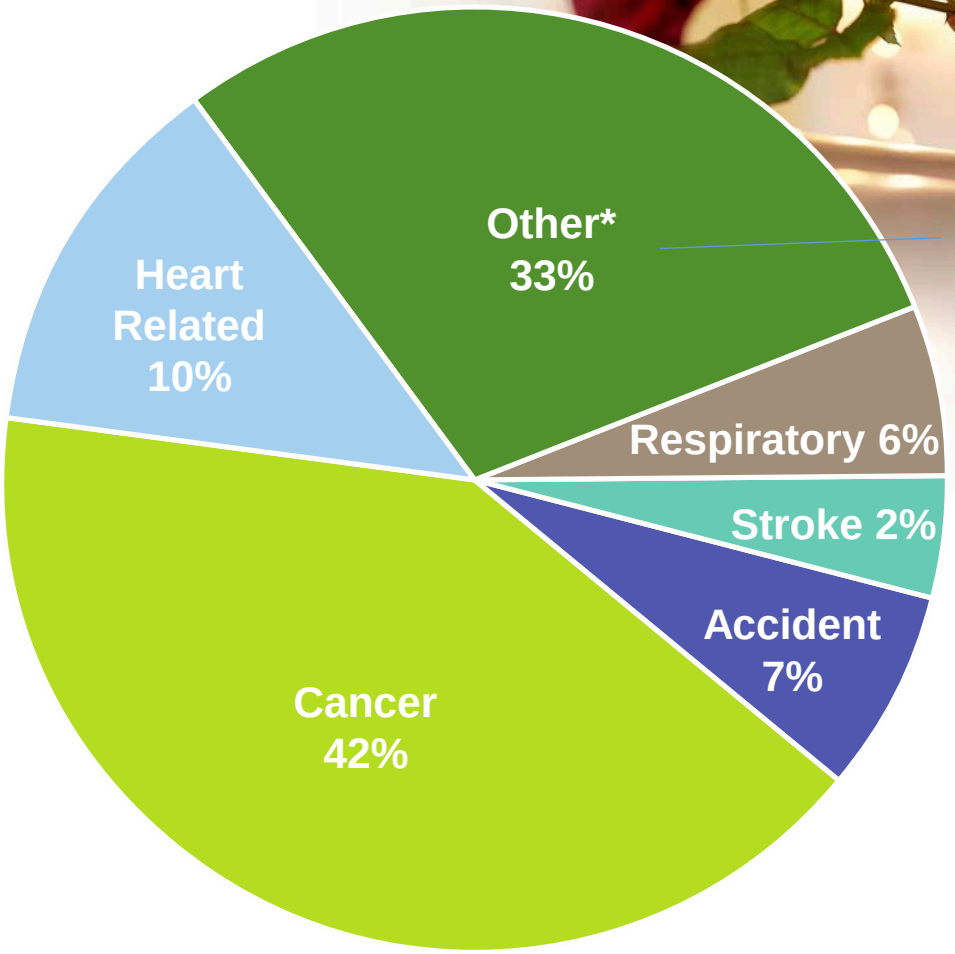
Sales

Cardiac Arrest

Cover 34 weeks in force

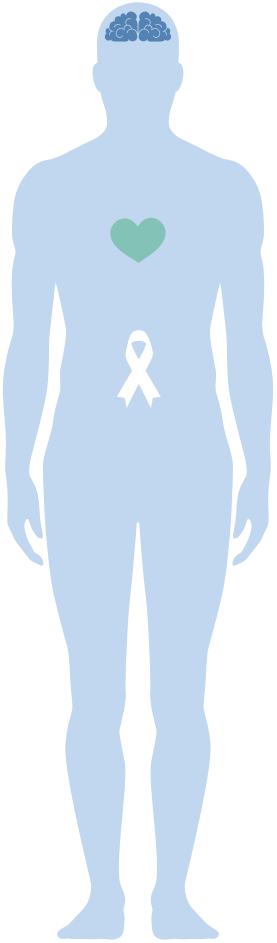
€156,000

DEATH CLAIMS BY CAUSE – 2017
CANCER MAIN CAUSE BUT "OTHER" ON THE INCREASE



* Other examples include age related deaths with organ failure, pneumonia, dementia listed as the cause.

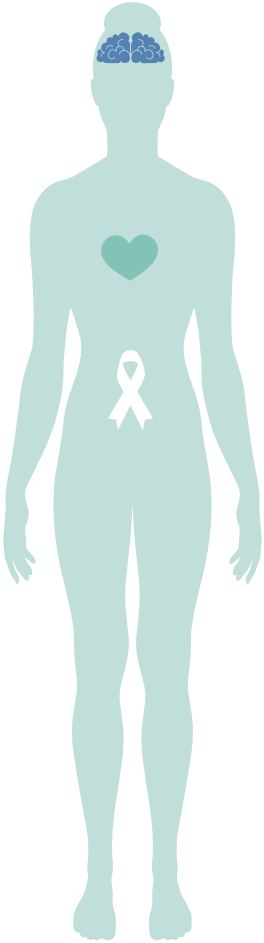
COMPARING MEN & WOMEN'S LIFE INSURANCE CLAIMS



LIFE INSURANCE CLAIMS

ALMOST 2in3 for men	1in3 for women
Largest claim	
€5 MILLION for men	€2 MILLION for women
Heart related conditions	
8.5% for men	1.5% for women
Malignant Cancer	
JUST UNDER 4in10 men's claims	OVER 1in2 for women
Accidental death claims breakdown	
ALMOST 2in3 accidental death claims were for men	UNDER 1in3 for women

Average age for accidental death 49 for first time on record



ACCIDENTS DEFINITELY HAPPEN
- USUALLY TO YOUNGER PEOPLE

7% of all death claims paid were as a result of an accident

2nd biggest cause of death
for under 40s
– 1 IN 4 DEATH CLAIMS

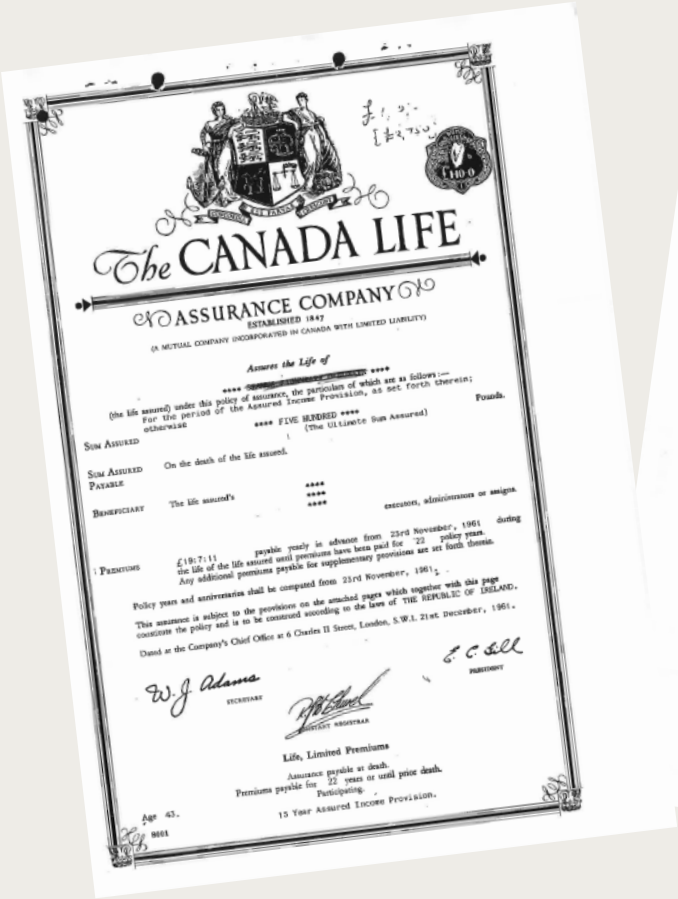
110 life cover claims
– value of **€17.1 million**

The average duration in-force for accident related claims was **11 years**

19 road accident deaths
–**7** work related deaths

Average age of adult accidental death was **49**
…..14 years younger than average age at death of 63

WE’RE IN THIS BUSINESS FOR THE LONG HAUL . . .



The CANADA LIFE

ASSURANCE COMPANY

ESTABLISHED 1847

(A MUTUAL COMPANY INCORPORATED IN CANADA WITH LIMITED LIABILITY)

Assures the Life of

**** [redacted] ****

(the life assured) under this policy of assurance, the particulars of which are as follows:—

For the period of the Assured Income Provision, as set forth therein; otherwise

Pounds.

SUM ASSURED **** FIVE HUNDRED **** (The Ultimate Sum Assured)

SUM ASSURED PAYABLE On the death of the life assured.

BENEFICIARY The life assured's **** executors, administrators or assigns.

PREMIUMS £19:7:11 payable yearly in advance from 23rd November, 1961 during the life of the life assured until premiums have been paid for 22 policy years. Any additional premiums payable for supplementary provisions are set forth therein.

Policy years and anniversaries shall be computed from 23rd November, 1961.

This assurance is subject to the provisions on the attached pages which together with this page constitute the policy and is to be construed according to the laws of THE REPUBLIC OF IRELAND.

Dated at the Company's Chief Office at 6 Charles II Street, London, S.W.1. 21st December, 1961.

W. J. Adams SECRETARY

E. C. Sill PRESIDENT

CHIEF REGISTRAR

Life, Limited Premiums

Assurance payable at death.

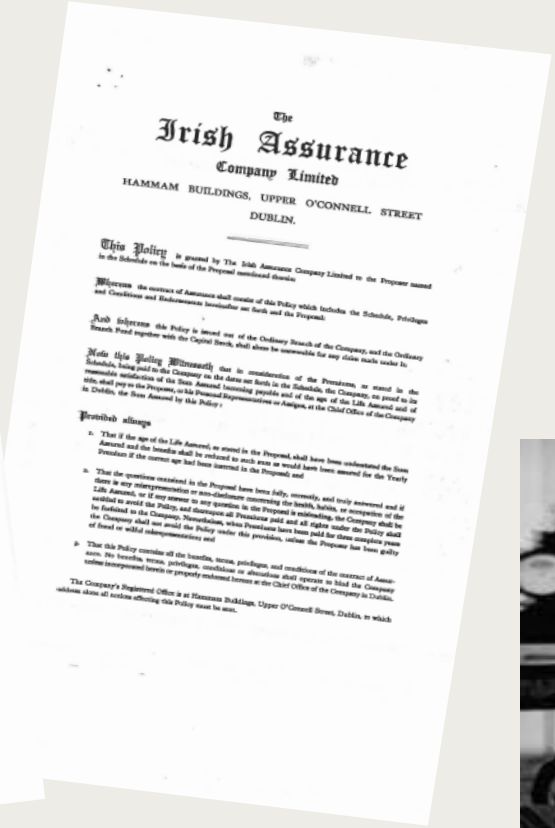
Premiums payable for 22 years or until prior death.

Participating.

15 Year Assured Income Provision.

Age 43.

8601



The

Irish Assurance

Company Limited

HAMMAM BUILDINGS, UPPER O'CONNELL STREET

DUBLIN.

This Policy is granted by The Irish Assurance Company Limited to the Proposer named in the Schedule on the basis of the Proposal mentioned therein

Wherein the contract of Assurance shall consist of this Policy which includes the Schedule, Privileges and Conditions and Endorsements hereinafter set forth and the Proposal:

And Inherein this Policy is issued out of the Ordinary Branch of the Company, and the Ordinary Branch Fund together with the Capital Stock, shall alone be answerable for any claim made under it.

Note this Policy Witnesseth that in consideration of the Premiums, as stated in the Schedule, being paid to the Company on the dates set forth in the Schedule, the Company, as proved to its reasonable satisfaction of the Sum Assured becoming payable and of the age of the Life Assured and of title, shall pay to the Proposer, or his Personal Representatives or Assigns, at the Chief Office of the Company in Dublin, the Sum Assured by this Policy:

Provided always

a. That if the age of the Life Assured, as stated in the Proposal, shall have been understated the Sum Assured and the benefits shall be reduced to such sum as would have been assured for the Yearly Premium if the correct age had been insured in the Proposal; and

b. That the questions contained in the Proposal have been fully, correctly, and truly answered and if there is any misrepresentation or non-disclosure concerning the health, habits, or occupation of the Life Assured, or if any answer to any question in the Proposal is misleading, the Company shall be entitled to avoid the Policy, and shall retain all Premiums paid and all rights under the Policy shall be forfeited to the Company. Nevertheless, when Premiums have been paid for three complete years the Company shall not avoid the Policy under this provision, unless the Proposer has been guilty of fraud or wilful misrepresentation; and

c. That this Policy contains all the benefits, terms, privileges, and conditions of the contract of Assurance. No benefits, terms, privileges, conditions or alterations shall operate to bind the Company unless incorporated herein or properly endorsed hereon at the Chief Office of the Company in Dublin.

The Company's Registered Office is at Hammam Buildings, Upper O'Connell Street, Dublin, to which address alone all notices affecting this Policy must be sent.

94 year old

62 years in force

Started Nov 1954!!

WHAT PEOPLE SAY THEY'LL USE LIFE INSURANCE PAY OUT FOR

3 in 5
Pay for funeral expenses

1 in 2
Day to day living expenses

2 in 5
Pay off loan
(other than mortgage)

1 in 5
A holiday

1 in 5
Renovate a house

SOURCE : COYNE 2017

SUMMARY OF OUR 2017 SPECIFIED ILLNESS CLAIMS

853 claims

€53.7m

Ave **€62,992**

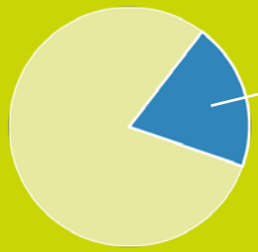
Ave age of adult claim
52 years

Largest claim **€600,000**

Heart attack • 14 years in force

19 additional/ partial payment claims

2 IN 3 between ages **41 & 60**



1 in 5 claims > €100,000

YOU CAN'T PREDICT THE FUTURE
- SPECIFIED ILLNESS CLAIMS PAID

MALE
40s

Engineer

Stroke

Only 10 months
in force

€142,000

FEMALE
30s

Homemaker

Malignant
Cervical Cancer

< 1 Year
in force

€24,000

MALE
50s

Farmer

Heart Attack

< 1 Year
in force

€30,000

FEMALE
30s

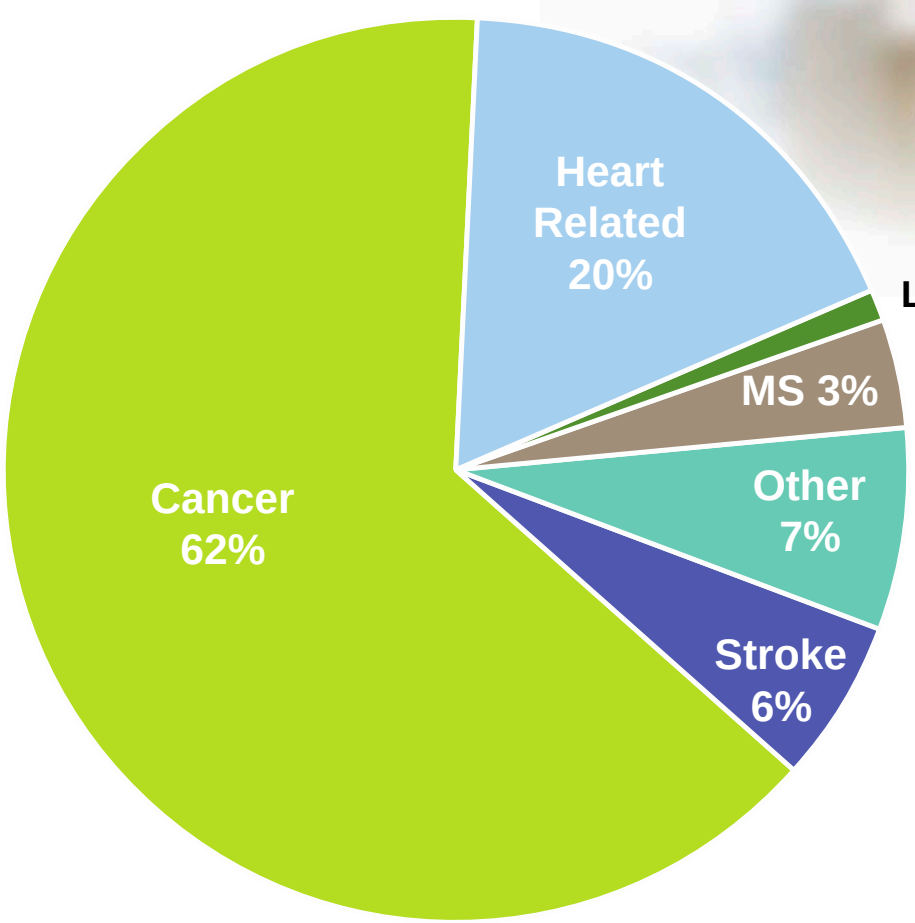
Nurse

Stroke

< 2 years
in force

€105,000

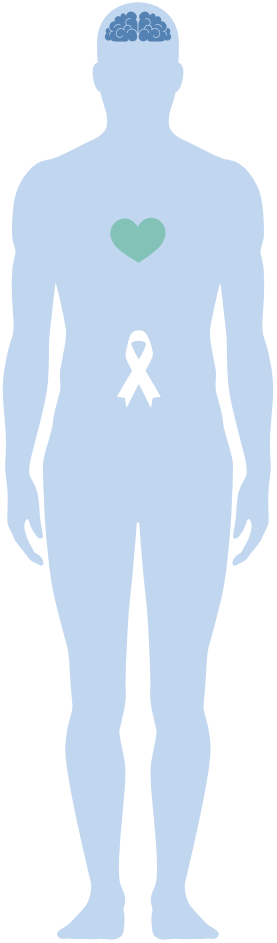
SPECIFIED ILLNESS CAUSE BY CLAIM
- CANCER MAKES UP ALMOST 2 IN 3



90-95%

Top 5

COMPARING MEN & WOMEN'S SIC CLAIMS



SPECIFIED ILLNESS COVER CLAIMS

ALMOST **53%** claims were for men

45% for women

Largest claim

€635,000 for men

€495,000 for women

Heart related conditions

17% for men

just **3%** for women

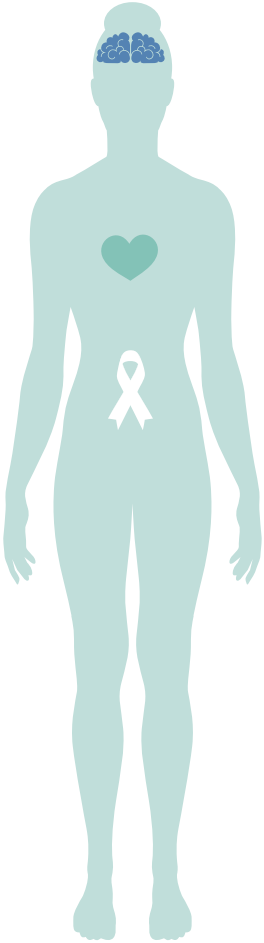
Malignant Cancer

ALMOST **1in2** men's claims

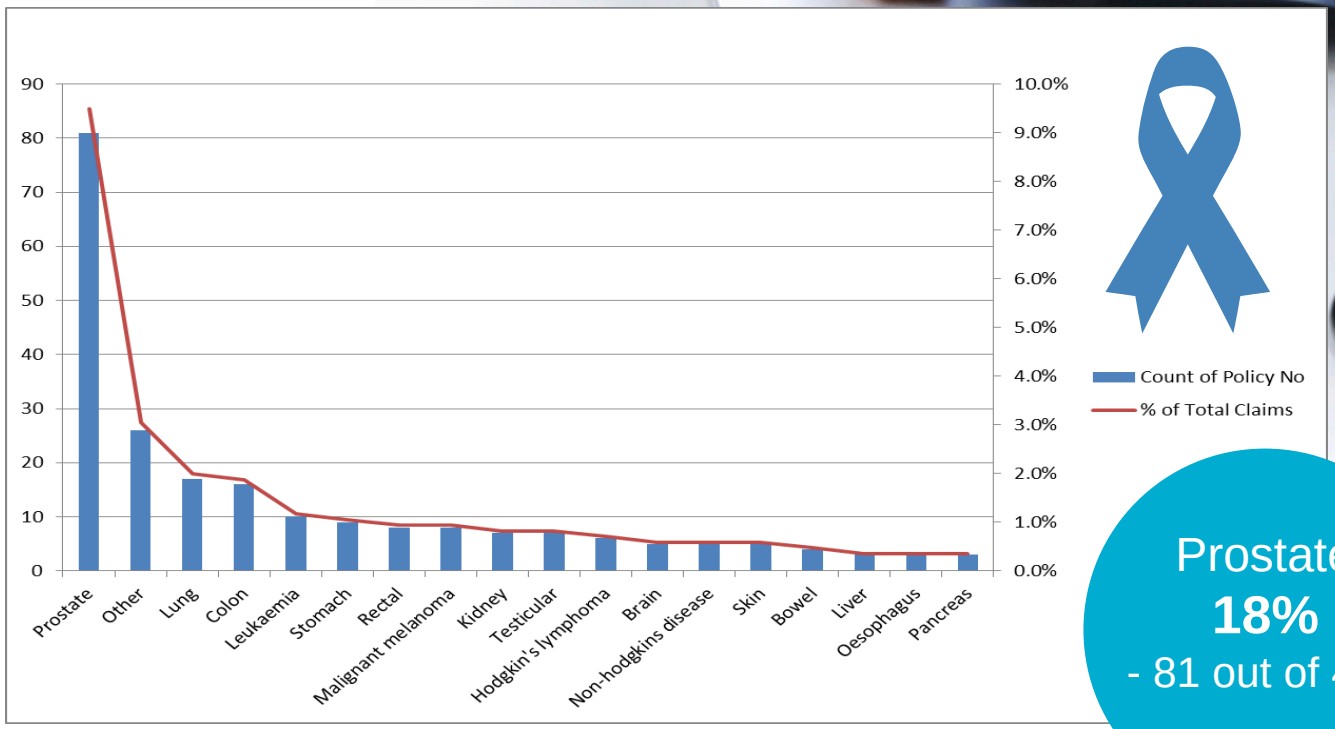
3in4 for women

Main causes of Malignant Cancer claims

1. Prostate	1. Breast
2. Lung	2. Colon
3. Colon	3. Ovarian



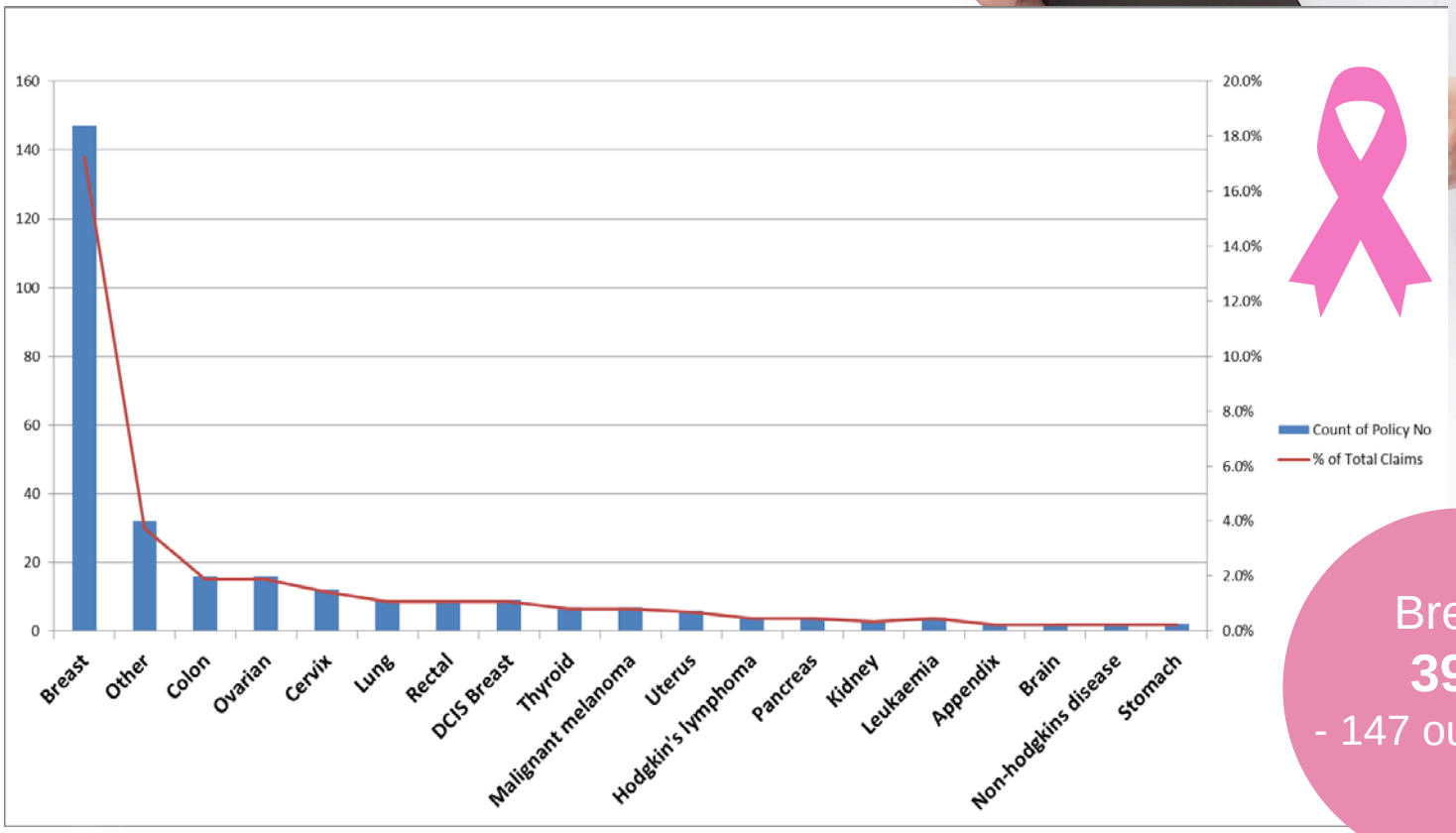
SPECIFIED ILLNESS MALE CANCER CLAIMS - 2017



Prostate
18%
- 81 out of 452

SPECIFIED ILLNESS FEMALE CANCER CLAIMS- 2017

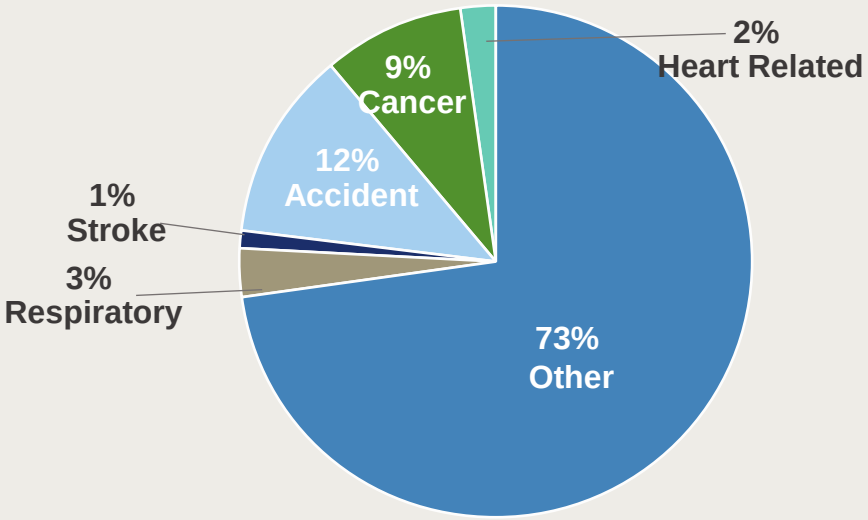
Female Cancer Claims 2017



Breast
39%
- 147 out of 380

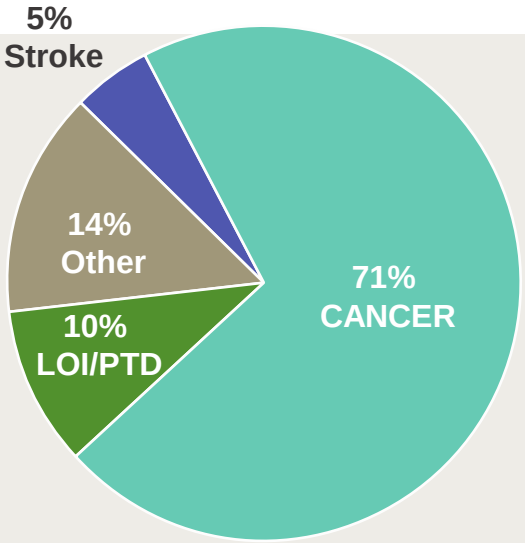
* DCIS breast is a partial payment condition

CHILDREN'S CLAIMS 2017



80 CHILD DEATH CLAIMS

21 CHILD SIC CLAIMS



MAKING CHILDREN'S COVER EVEN BETTER (Current plans)

LIFE COVER

€7000

Age 25

SPECIFIED ILLNESS COVER

Cover starts from birth

Age 25

Still up to €25,000 or half parents

IRISH LIFE – LIFE PARTIALS

5 defined pregnancy related complications

- €5000 payable
- Cover automatic for lives aged under 45.
- Cover begins 1 year after plan starts – no underwriting.
- Need a minimum of €25,000 life cover to qualify
- One pay-out in any one pregnancy, but a total of 3 pay-outs available on any plan.

2 CLAIMS EXAMPLES

36 year old female
€5,000 paid for Hydatidiform Mole.

32 year old female
€5,000 paid for Ectopic Pregnancy requiring emergency surgery

CMO & REINSURANCE EXPERTISE

CMO's

Access to our own CMO's on a daily basis

REINSURANCE

Excellent relations with 8 active reinsurers

Access to medical expertise

- Technical Manager – Jimmy Disney
- 19 Technical Claims Assessors
- 3 People Managers
- 5 Administration

Munich RE

Gen Re

XL

PartnerRe

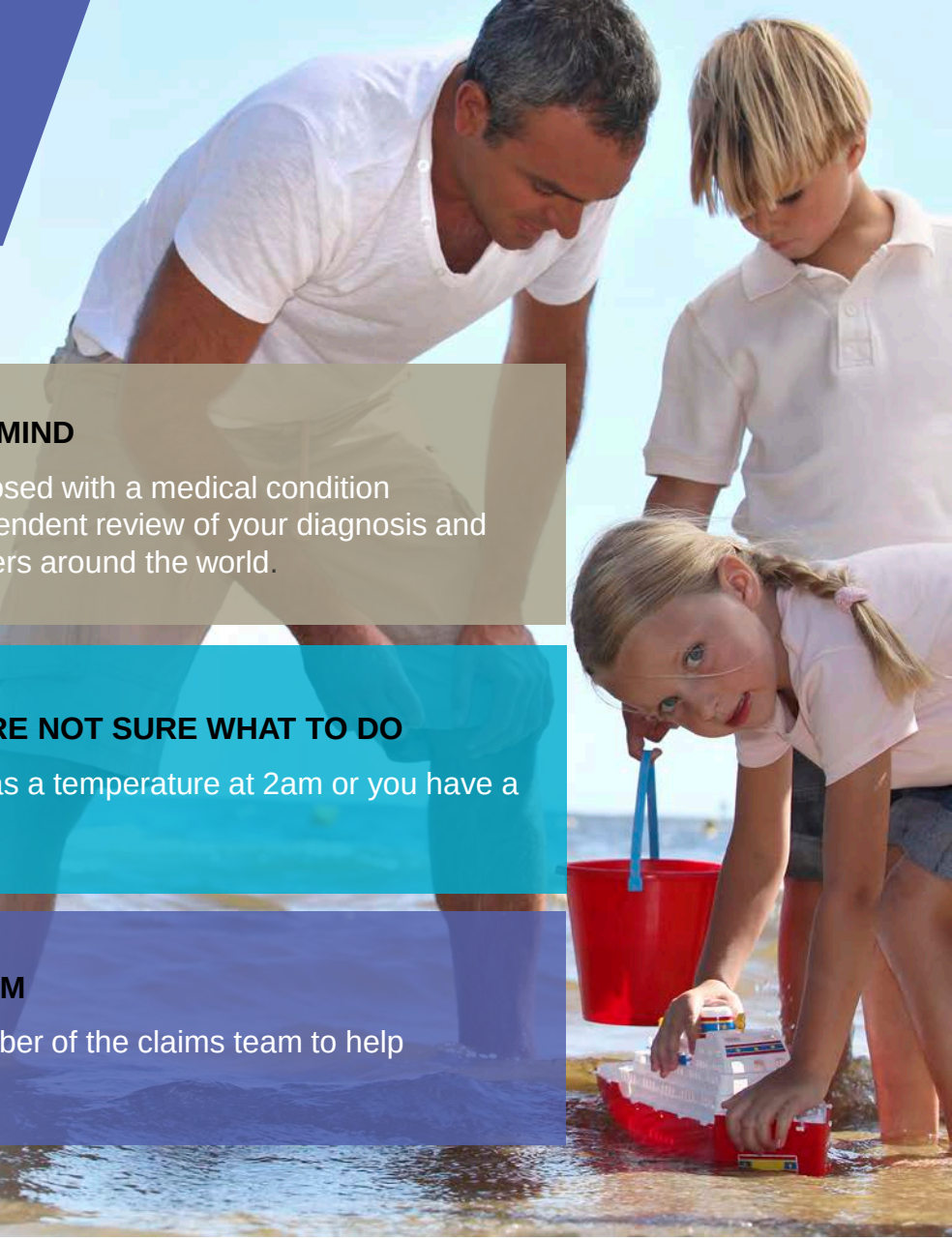
Swiss Re

SCOR Global Life

RGA Reinsurance Group of America, Incorporated

hannover re

LIFECARE FROM IRISH LIFE



1. MEDCARE – A SECOND OPINION FOR PEACE OF MIND

- MedCare can help give you peace of mind if you are diagnosed with a medical condition covered by MediGuide. This means you can have an independent review of your diagnosis and treatment plan from one of a range of leading medical centers around the world.

2. NURSECARE – SOMEONE TO HELP WHEN YOU'RE NOT SURE WHAT TO DO

- A service for those unsure moments like when your child has a temperature at 2am or you have a burn that's worrying you.

3. CLAIMSCARE – SUPPORT IF YOU NEED TO CLAIM

- If you need to make a claim you will have a dedicated member of the claims team to help you through the process.

PERCEPTIONS OF LIFE INSURANCE CLAIMS PAY OUT

Irish adults believe that only **51%** of claims are paid out.

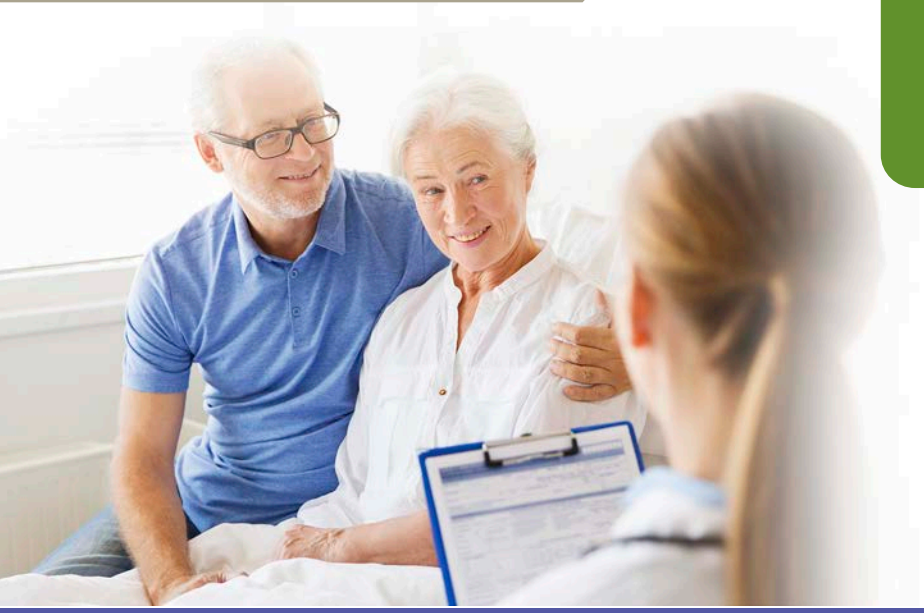
Only 7% believe than >90% of claims paid out

Base: All adults aged 18+ - 1,000

Coyne Research - 2017

CONFIDENCE IN IRISH LIFE
- OVERALL 95% OF CLAIMS PAID

IN 2017,
IRISH LIFE HAVE PAID:



98%
of all death claims

90%
of all SIC claims

Including
96% of Malignant Cancer Claims

EXAMPLES OF NON-DISCLOSURES

PLAN A

Plan take out: **May 2015**
Died: **Nov 16 – Stroke**

Non Disclosure of very raised blood pressure and pending investigation

€65,000

PLAN B

Plan take out: **Jan 2013**
Died: **Dec 16**
– Metastatic Cancer

Non Disclosure of history of malignant prostate cancer

€20,000

PERCENTAGE OF CLAIMS DECLINED REMAINS LOW OVER LAST 5 YEARS

	DEATH CLAIMS		SIC CLAIMS	
	% paid	% Declined	% paid	% Declined
2017	98.2	1.8	89.7	10.3
2016	98.2	1.8	89.8	10.2
2015	98.2	1.8	90.4	9.6
2014	97.9	2.1	90	10
2013	98.5	1.5	89	11

DELAYED NOTIFICATION ON SIC - EXAMPLES

- SIC CLAIM notified 20/02/16 for open heart coronary artery surgery
- Investigations showed malignant prostate cancer 10/2013 but never claimed
- Policy review commenced 2015 – reduced sum assured by €16,000
- Claim submitted as of 2013 & higher amount paid

- SIC claim notified 5/2016 for malignant breast cancer
- Was actually diagnosed 10/2003
- Claims paid with 2 weeks for level of cover in from when diagnosed in 10/2003

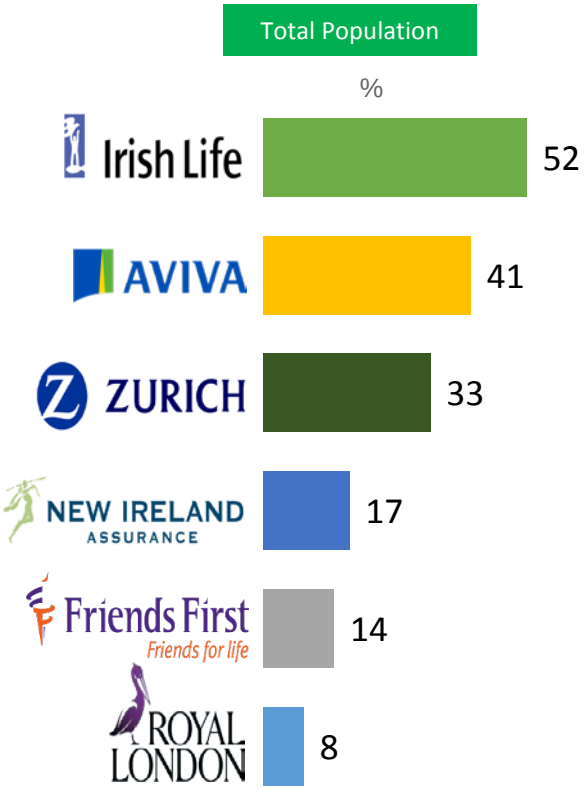
MORE THAN HALF TRUST IRISH LIFE TO PAY CLAIMS

Base: All adults aged 18+ - 1,000

>HALF

claim that they would trust **Irish Life** to pay life insurance claims.

LIFE INSURANCE COMPANIES "WOULD TRUST" TO PAY CLAIMS



Source : Coyne 2017

WHAT OUR CUSTOMERS SAY ABOUT OUR SERVICE

CUSTOMER SATISFACTION SCORE FOR SIC CLAIMS OVER 90%

"We dealt with Irish Life through our broker and there were no problems. Everything went smoothly."

"They made the claim easy for me. I wasn't feeling my best after a major operation, but I felt that I was treated very well and there was no extra pressure put on me."

"When my wife was ill five years ago Irish Life looked after us, and then when I got ill myself they really looked after us. We felt lucky to have the policy."

"Once I made the claim the response was very good. I told them what my illness was, they sent the claim form straight away, and then dealt with my claim swiftly.

SUPPORTS AVAILABLE

- Talk to your account manager

SUPPORTS AVAILABLE

- Talk to your account manager

PENSIONS
INVESTMENTS
LIFE INSURANCE

Irish Life

PROTECTING IRELAND

ANNUAL CLAIMS REPORT 2017

Although we paid over 6,500 claims to people and families affected by illness and death in 2017, we all know that most Irish families don't have the level of cover they need.

Let's work together to change this.

See inside for further details.

Dermot Gaskin,
Director of Brokerage
Irish Life

For Broker use only. This is not a customer document.

"At Irish Life, we paid over 6,500 Life Insurance and Living Benefit claims in 2017 to families across Ireland. In fact we paid 95% of Life Insurance and specified Illness claims received last year. And yet we've seen from a study by Coyne Research (December 2017) that people in Ireland think that only half (51%) of Life Insurance claims overall are paid.

We need to make people more aware of the benefits of Life Insurance and the Living Benefits , such as Specified Illness Cover and Income Protection, which can be a lifeline for families in times of difficulty."

Martin Duffy,
Head of Underwriting and Protection Claims,
Irish Life.

LIFE INSURANCE 2017 CLAIMS IN NUMBERS

The figures below are for retail claims:

Number of claims paid	1,689
Total amount paid out	€129.7 million
Average age of claimant	63
Average claim amount	€76,786

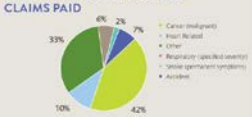
KEY FACTS

- Cancer was the biggest cause of Life Insurance claims
- 25% of all Life Insurance claims for those under 40 were results of accidents
- 19 death claims were as a result of a Road Traffic Accident
- Women are claiming earlier than men, (age 64 compared to age 67 for men). Yet, according to our study by Coyne, only 1 in 3 women say they have Life Insurance - this is worrying.
- Over half of claims were paid in 5 weeks or less.

GENDER VARIATIONS

- Almost 2 in 3 death claims were for men and just 1 in 3 for women
- 1 in 2 death claims were for cancer for women, versus 4 in 10 for men
- Five times more men died from heart related conditions compared to women
- Women are claiming earlier than men. 67 was the average age for men's Life Insurance claims and 64 for women.

ANALYSIS OF LIFE INSURANCE CLAIMS PAID



INCOME PROTECTION CLAIMS IN NUMBERS

"Last year over 950 people were able to return to work after getting the benefit of income protection for their time in need. For those who are unfortunately not able to return to work, it is great to know we are able to provide financial comfort and security when they need it most, allowing them more space to focus on their health."

Shane Goggin,
Senior Manager - Income Protection

The figures below are a combination of retail and corporate claims:

Number of claims paid	3,323
Total amount paid out	€57 million
Average age of claimant	48
Average claim amount	€22,659

KEY FACTS

- Biggest cause of claims: Mental health and Back pain/Musculoskeletal (20%) each, followed by Cancer at 17%
- Last 5 years has seen a small reduction in mental health claims - from 22% of claims in the period 2011-2014 to 20% for the period 2015-2017
- Injuries have the largest rise over the period - 8% of claims from 2011-2014 compared to 11% for 2015-2017.
- Cancer claims reduced from 19% to 17% in this same period.
- Women are claiming earlier than men, (age 46 compared to age 49 for men). Yet, according to our study by Coyne, only 11% half of women say they have Income Protection.

GENDER VARIATIONS

- Women are claiming earlier than men. The average age of claims for men was 49 years, compared to 46 for women.
- Mental health claims by men have seen a decrease from 24% in the period 2010 - 2014, to 22% for 2015 to 2017
- Similarly, mental health claims for women dropped from 22% to 19% in the same periods.

Providing Support to your customers:

In 2017, as well as providing financial benefits - we also provided added benefits to help our customers with their recovery.

Almost 75 Income Protection customers consulted with our external rehabilitation and case manager partners, attending programmes such as CanSurvivor, Spring Back physiotherapy and mental health programmes to aid with their recovery from illness. So far 34 of these people have already returned to work and many will be finalising their programmes in early 2018.

CLAIMS - SUMMARY

- Nobody can predict the future.
- Unexpected deaths & illness occur and result in claims.
- Cancers – biggest cause of claim & largely a sudden diagnosis.
- Protection is core to the advice Brokers give customers.
- We publish lots of useful and impactful claims data – see **b-line** & **irishlife.ie**

- **7%** of death claims are as a result of ‘accident/unintended’ deaths.
- Over **90%** of paid SIC claims are for Top 5 – malignant cancer, heart, stroke, MS, LOI/PTD.
- **98%** of death claims and **90%** of SIC claims paid by Irish Life.
- We pay quickly
- Children’s cover is a very valuable benefit

BARRIERS TO HOLDING A PROTECTION POLICY

REASON FOR NOT HOLDING LIFE INSURANCE POLICY

1. Can't afford it / Too Expensive
2. Have not thought about it
3. Don't need it
4. Have not got round to it yet
5. Difficult to calculate the cover needed

Coyne Research - 2017

Irish Life

PENSIONS • INVESTMENTS • LIFE INSURANCE

Undercovered IRELAND

Questions?

Martin Duffy

ACII, DLDU & DLDC (AMS)

Chartered Insurer

Head of Underwriting & Protection Claims

www.irishlife.ie

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ILA 13712 (NPI 02-18)